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## EU and EnC

### Oil&Gas

#### Cooperation on Development of Integrated SEEGAS Market

by Semina Saliaga (Athens)

On 16 and 17 September 2021 in Vienna, the gas transmission system operators, Transgaz of Romania and Desfa of Greece, the Balkan Gas Hub of Bulgaria and the Hellenic Energy Exchange have signed the South-Eastern and Eastern European Gas (SEEGAS) Memorandum of Understanding.

At the end of 2020, SEEGAS market was launched at the initiative of the Energy Community Secretariat as a joint project of 10 EU member states and the contracting parties in South-Eastern and Eastern Europe, namely Austria, Bulgaria, Greece, Georgia, Moldova, Poland, Romania, Turkey, Hungary, Ukraine. The declared goal of the project is cooperation in the development of cross-border trade in natural gas, primarily in electronic platforms, the establishment of transparent interregional pricing mechanisms, ensuring physical and virtual cross-border gas flows. The signatories aim to cooperate on the development of cross-border natural gas trading by implementing transparent and competitive interregional market-based pricing mechanisms and efficient cross-border gas transmission and interoperability.

On 21 July 2021, a Memorandum of Understanding was signed within the (SEEGAS) project between the Energy Community, GTS operators of Ukraine (OGTSU LLC), Moldova (Moldovatrangaz SRL), Hungary (FGSZ Zrt.), Poland (GAS-SYSTEM S.A.) and representatives of energy companies and UEEEX (Ukraine), BRM (Romania), TGE (Poland), CEEGEX (Hungary), ECG (Austria) trading companies.

The Memorandum of Understanding on the development of SEEGAS creates a framework for the Parties to evaluate opportunities in the field of energy exchanges (natural gas and electricity) and identify areas of practical work to improve and create new services to market participants. The Memorandum specifically aims to create prerequisites for the functioning of a competitive liquid SEEGAS market and to ensure unhindered access to the respective natural gas markets for all market participants and service providers on a non-discriminatory basis and equal terms in accordance with the EU acquis. It also aims to facilitate cooperation on the implementation of an effective commodity clearing system for natural gas transactions that is in line with best European practices.

## RES

#### ENTSO-E's 5th Position Paper on Offshore Development

by Konstantinos Ntallas (Athens)

On 2 November 2021, ENTSO-E, the European Network of Transmission System Operators for Electricity, issued its 5th position paper on Offshore Development: "Assessing Selected Financial Support Options for Renewable Generation". In this paper, ENTSO-E assessed possible solutions to contribute to the realization of the EC's Offshore strategy, as released on 19 November 2020.

Pursuant to the aforementioned strategy, EC indicates Offshore Bidding Zones (OBZ) as being the preferred market design solution for offshore grids and proposes to re-allocate a share of congestion income to offshore wind generators. This follows from the assumption that there is a revenue redistribution effect resulting from choosing the OBZ market design for offshore grids. However, pursuant to ENTSO-E latest paper this notion of a redistribution effect from Offshore Wind Farms (OWFs) to Transmission System Operators (TSOs), is not as straightforward as it may appear, considering that the level of congestion income under OBZ reflects an efficient market choice, and that advanced hybrid coupling will already be implemented by the time the next offshore hybrid projects are commissioned in the CORE and Nordic Capacity Calculation Regions (CCRs).

Furthermore, ENTSO-E finds that the reallocation of congestion income to support OWFs is inconsistent with the principles that underlie the Internal Energy Market (IEM), particularly tariff-setting principles and RES remuneration rules. ENTSO-E claims that the focus should instead switch to state-funded support schemes, awarded via competitive procedures, because they appear to be a much more efficient and transparent solution which is compatible with the rules of the IEM.

## Energy Efficiency

#### First Evaluation and Trends Policies in Energy Efficiency

by Paraskevi Chrysochoidi (Athens)

On 28 September 2021, the European Commission (EC) published new recommendation on the Energy Efficiency Directive (EED), which sets a binding EU target and provides guidelines and examples for the implementation of the Energy Efficiency First (EE1st) principle in decision-making concerning the energy sector and beyond.



EE1st (article 2 EED, EU2018/2002) is a guiding principle of the Union's energy policy providing the legal basis for energy planning and policy and investment decisions, of alternative cost-efficient energy efficiency measures to make energy demand and energy supply more efficient, whilst still achieving the objectives of those decisions. Therefore, where efficiency improvements are shown to be most cost-effective or valuable, taking full account of their co-benefits, they should be prioritised over any investment in new power generation, grids or pipelines, and fuel supplies. The idea behind is to carefully take into account specific energy saving solutions as possible alternatives, including the integration of wider societal benefits of energy efficiency and energy conservation.

Raising the EU's 2030 energy efficiency ambitions into binding targets tackles a significant shortcoming of the current legislative framework while setting a coherent level of ambition in line with the impact assessment of the 2030 Climate Target Plan. In addition, there is an intention to avoid the "double count" between the energy savings achieved to fulfil the energy saving obligation in Article 8 (EED EU2018/2002) and the energy savings stemming from the new ETS separate provisions covering the building sector. Furthermore, there are incentives for energy efficiency improvements of DHC networks under the energy savings obligation to support the decarbonisation of the heating and cooling system (Article 24, EED EU2018/2002).

The proposal comes, also, with extended obligations for public bodies at all levels as public authorities will provide other stakeholders with consulting when the former develop energy efficiency plans. Complementary approaches, including energy management solutions such as EnPCs (Energy Performance Contracts), should always be considered to ensure the most resource and cost-efficient way to save energy over time. Member States have to ensure a whole set of measures, including fostering necessary competencies, certification and qualification schemes.

Another point is that European Commission supports the existence of energy management systems and Article 11 (EED EU2018/2002) adds new strengthened requirements for implementing energy management systems and energy audits. The proposal comes with the obligation to carry out an energy audit as now it is linked to energy consumption instead of the size of a company and is obliged to identify energy efficiency measures to decrease energy consumption.

This approach to the implementation of the EE1st principle is expected to lead to emissions reductions, grid optimisation and system efficiency and to strengthen the EU's energy industry overall.

## Environment

### Agreement on Nuclear Safety between EU and IAEA Extension

by Paraskevi Chrysochoidi (Athens)

On 22 September 2021 during the 65th General Conference in Vienna, the European Union (EU) and the International Atomic Energy Agency (IAEA) extended their 2013 agreement to cooperate on nuclear safety and specifically on the safe management of radioactive waste, regulatory arrangements, safety reviews and assessments, emergency preparedness and response, environmental remediation and the development and application of IAEA Safety Standards.

About a quarter of the electricity and half of the low-carbon electricity in the EU is generated by nuclear energy. Therefore, it is crucial that this type of energy is generated in a safe and secure way, which is why nuclear safety is an absolute priority for the EU. Following the amending Nuclear Safety Directive (2014/87/Euratom), the EU significantly enhanced its leadership in nuclear safety worldwide. The amendment is based on nuclear risk and safety assessments (stress tests) that were carried out before the construction of new nuclear power plants or for ensuring significant safety enhancements for old reactors and were implemented under the responsibility of national authorities.

This cooperation has already led to over one hundred nuclear safety review missions, environmental remediation at former uranium sites in Central Asia and more effective radioactive waste management in Africa. Furthermore, countries in the Mediterranean that are not EU Member States received support to strengthen their coastal emergency preparedness and response arrangements in case of radiological emergencies, as well as the full control of radioactive sources during and after their operations. Through EU funding, the IAEA has also successfully implemented the International School of Nuclear and Radiological Leadership for Safety. Courses were held in Brazil, France, India, Japan, Mexico, Morocco, Pakistan and Turkey, training future leaders in nuclear safety throughout the world.

Under the above agreement in June 2013, the European Union Commission (EC) and IAEA in cooperation with the Agency's technical cooperation (TC) program and the Department of Nuclear Safety and Security (NS) supported nuclear safety projects overarching EC's goal of promoting nuclear and radiation safety around the world. Also, the EU has supported the development of review services like the Integrated Regulatory Review Service (IRRS) and the Integrated Review Service for Radioactive Waste and Spent Fuel Management, Decommissioning and Remediation (ARTEMIS), enabling compliance of EU countries with their obligations under the EU Nuclear Safety and Waste Directives.



## Albania

### Electricity

#### Regulation on the Measures of the Licensees in the Activity of Energy supply

by Blerta Topore (Albania)

On 08 October 2021 ERE, after reviewing the report no. 129/2 prot., Dated 06 October 2021 of the Directorate of Consumer Protection, Performance and Standards, with decision no. 208 approved "Initiation of the Procedure for the approval of the regulation on the measures of the licensees in the activity of energy supply for the achievement of the indicators of measurement and evaluation by the ERE of the performance of the service to the customer."

According to point 4.2, of the Strategic Objectives of the ERE for the period 2021-2023, approved by the decision of ERE no.74 / 2021 it is foreseen that: "ERE will prepare indicators for measuring and evaluating the performance of customer service that guarantees every licensee in supply".

In point 5, of the Resolution approved by the Albanian Parliament for the evaluation of the activity of the Energy Regulatory Entity for 2020, where among other things it has defined the tasks of the ERE for implementation during 2021, it is foreseen that: ERE should work on drafting of the measurement and evaluation indicator of customer service performance that guarantees each licensee for supply, to enable the provision of a quality service with standards for the customer.

This regulation aims to address the measures that licensees in the supply activity must take in order to guarantee a quality customer service, but also the steps that must be followed in order to guarantee the above through information, provision of funds internal management in order to address complaints, investments in competent and sufficient human resources or guarantee the access of the ERE in overseeing the fulfillment of these indicators according to the periods provided in this Regulation.

## RES

#### Changes in the Standard Connection Agreement Approved by ERE

by Blerta Topore (Albania)

On 08 October 2021, ERE approved the decision no. 207, on "Review of the request of the Company Voltalia S.A. and OST SH.A., for the evaluation and acceptance of some changes in the Standard Connection Agreement, approved by the decision of the ERE Board No. 87, on 20 April 2018.

The company "Voltalia" S.A., through the letter registered in the ERE with no. 745/6 prot., Dated 11 June 2021, has submitted the request for the evaluation and acceptance of some changes in the Standard Connection Agreement approved by ERE commissioners on 20 April 2018 "On the approval of the regulation of procedures for new connections and the modification of the existing connections with the transmission network; the operation agreement in the transmission network between OST sh.a. and users, as well as the connection agreement in the transmission network between OST sh.a. and users. The reason was that at the moment of approval of the Connection Agreement in the Transmission Network between OST sh.a. and the User, on 20.04.2018, there was no photovoltaic plant connected or request for connection from such plants, with the system of electricity transmission.

Thus, the Company Voltalia S.A., and OST sh.a., through the above joint letter states that the parties have agreed that, Karavasta Solar sh.p.k. will carry out the works, at its own cost, for the construction of a 220 kV transmission line, including the respective 220 kV tract in the Fier substation, for the connection of the Photovoltaic power plant with the OST Transmission Network. The companies "Voltalia" s.a., and "OST" sh.a. by another joint letter registered in the ERE with no. 745/6 prot., Dated 13.09.2021, have submitted the reconnected connection agreement stating that the parties have agreed on the terms and conditions of the binding agreement.

Based on all the above, it is considered important to create the necessary conditions for the development and diversification of renewable energy sources, also in terms of agreements that enable connection to the network and security of operation of the network and generating plants that reflect their characteristics and features, in order to meet the legal obligations for photovoltaic generation sources.

Thus, regarding the above, ERE decided the Approval of the Agreement for connection to the transmission network between the Transmission System Operator OST sh.a. and Voltalia s.a. forwarded with letter no. 5430 prot., Dt. 13.09.2021 of OST sh.a.

- The connection agreement serves for the Projects that meet the following conditions taking into account what was submitted by the Ministry of Energy and Industry with letter no. 5038/1 prot., Dated 12.07.2021, respectively:

- be selected based on a competition process;
- installed power is from 100 MW high;



- the selling price of electricity resulting from the process competitive is below 30 Eur / MWh.
- This agreement between "Voltalia" s.a. and OST sh.a. is valid as long as the above conditions are met.

Charging OST sh.a. in the capacity of the licensee to draft the Connection Agreement in the transmission network between OST sh.a. and Users for similar projects.

## HPP Skavica, Contract Signed Between KESH and Bechtel

by Blerta Topore (Albania)

On 06 July 2021 the Electric Power Corporation of Albania (KESH) and Bechtel signed an agreement to start early works for the 210 MW Skavica power plant on the Drin River, according to a fast delivery approach. Work will begin immediately with a technical investigation, preliminary road construction and environmental and social impact assessment that will meet international best practices to expedite the commencement of construction.

The construction of HPP Skavica is an early project, which will not only meet the demand of the Albanian market in terms of energy production, but will give the country the opportunity to become an exporter of renewable energy. The first phase includes mainly all the preparatory work, in terms of all studies that will be done, starting from the environmental study, the geological, technical and social study, which is very important.

Skavica is different from other hydropower plants in the Drin cascade because it is the hydropower plant that will play the role of a regulator for existing hydropower plants. So not only will it increase by 20% the domestic production of electricity produced by hydropower plants in the Republic of Albania, but in turn it will definitely optimize and increase the production capacity of existing hydropower plants today in the Drini cascade.

This investment will have a major impact on the area where it will be built, which will have increased attention through infrastructure development, as well as increasing opportunities for tourism development. Above all, HPP Skavica guarantees for Albania an energy security.

## BiH

### State Aid

#### Ministerial Council's Verdict on Tuzla 7 Project

by Vuk Stankovic (Belgrade)

On 30 November 2021, the EnC Ministerial Council rendered decision on breaching principle prohibition of State aid in Article 18 by Bosnia and Herzegovina (BiH) concerning the Tuzla 7 Project (Project). Project envisaged construction of a new 450 MW unit at the Tuzla coal-fired power plant to replace existing units 3 and 4. The case concerned a loan guarantee issued by the Federation's finance ministry in 2017 (Collateral) to enable the entity to borrow €614mn from the Export Import Bank of China to finance the project where BiH issued Collateral to secure such loan. It should be noted that the Collateral was cleared by Bosnia's State Aid Council in July 2018 and it is decided that the terms under which this Collateral was granted does not involve State aid. The Energy Community Treaty includes a principle prohibition of State aid in Article 18 and the Ministerial Council's verdict concludes a long procedure which included cooperation with the State Aid Council of BiH as well as a mediation process. BiH is under the obligation remedy the breach in forthcoming period.

## Bulgaria

### Electricity

#### Closing the Loop–Inclusion of the Bulgarian-Romanian Border to the Single Day-Ahead Coupling

by Apostolos Christakoudis (Sofia)

On 27 October 2021, the Bulgarian Independent Energy Exchange (IBEX) successfully started working in the conditions of market unification on the border with Romania as part of the single European market "Day Ahead", with the first day of delivery October 28, 2021, according to our energy exchange.

With the inclusion of the Bulgarian-Romanian border, a geographical loop has been closed and the Southeast Europe (SEE) region is now fully integrated in the Single Day-Ahead Coupling (SDAC). SDAC allocates scarce cross-border transmission capacity in the most efficient way by coupling wholesale electricity markets from different regions through a common algorithm, simultaneously taking into account cross-border transmission constraints, thereby maximising social welfare. The aim of SDAC is to create a single



pan European cross zonal day-ahead electricity market. An integrated day-ahead market increases the overall efficiency of trading by promoting effective competition, increasing liquidity and enabling a more efficient utilisation of generation resources across Europe

This marks is another major milestone in the process of integrating the European day-ahead power markets. The efficient use of the power system and cross-border infrastructures, brought about by stronger coordination between energy markets, aims to maximize social welfare to the benefit of all market participants. In addition to the HVDC interconnection between Greece and Italy, the Greek and Bulgarian day-ahead markets are now also connected northbound via the Bulgarian-Romanian border with SDAC. The successful coupling is the result of close collaboration between the Bulgarian and Romanian parties NEMOs and TSOs, namely IBEX, OPCOM, ESO and Transelectrica, together with the respective NRAs.

## Greece

### Market

#### Legal Commitments to Enforce Competition in the Electricity Market

by Semina Saliaga (Athens)

On 20 October 2021 the Law 4843/2021 (OJ A' 193/2021) was published on "the amendment of the Directive 2012/27 / EU on energy efficiency", which, among other provisions, introduces important new legislative and regulatory amendments regarding RES and electricity market. The Law, among other, introduces regulations to enforce competition in the electricity market. More specifically, the necessary structural framework is adopted for the fulfillment of the commitments of the Hellenic Republic (of 1.09.2021) towards the European Commission, in the context of the well-known case COMP / AT.38700, regarding the exploitation of the rights for the extraction of lignite and, according to the Commission, distorting competition, privileged access of PPC to lignite.

The measure consists of the obligation of PPC to sell - by participating in regulated markets of derivative financial instruments, for a specific period of time ("Commitment Period") - specific quantities of electricity via futures (ESME), with the underlying value being the numerical average (average price) of the hourly settlement prices of the Next Day Market of the Hellenic Stock Exchange during the delivery period. In this regard, the appointment of a Monitoring Trustee by the European Commission is foreseen, and his responsibilities are further defined. The monitoring Trustee monitors the implementation of the procedures and objectives of the commitments, informs the European Commission, the Greek State and RAE, and proposes appropriate measures to ensure compliance. His role is independent and separate of the bodies involved and does not exercise control, obstruct, supervise or in any way interfere in the exercise of the responsibilities of the Greek independent supervisory and regulatory authorities.

#### Balancing Regulation Market under Greek Law

by Semina Saliaga (Athens)

On 30 September 2016 the restructuring of the Greek electricity market in order to comply with the European Union rules was initiated with the adoption of L. 4425/2016 (GG Issue A' 185/30.09.2016), which was amended and further supplemented by L. 4512/2018 introducing the creation of the four new electricity markets and the establishment of the Hellenic Energy Exchange.

The Balancing Market includes the Balancing Capacity Market, the Balancing Energy Market and the Imbalances Settlement. The Balancing Market Rulebook is adopted in line with the provisions of Articles 17 and 18 of Law 4425/2016 and with the provisions of Regulation (EE) 2017/2195. The Balancing Market Rulebook sets out the rules and procedures for the operation of the Balancing Market, such as, inter alia:

- designate the Participants in the Balancing Market and describe the relevant registration procedure.
- set out detailed rules and conditions under which Participants may participate in the Balancing Market,
- define the rights and obligations of the HETS Operator vis-à-vis the Participants in connection to their participation in the Balancing Market,
- describe the interface between the Balancing Market, the Day-Ahead Market and the Intra-Day Market, including the exchange of information between the Power Exchange and the HETS Operator,
- set out detailed rules for the validation of Balancing Energy Offers and Balancing Capacity Offers by the HETS Operator,
- describe the input data, the operation, and the results of the Integrated Scheduling Process and the Energy Balancing Market
- describe the interface between the Integrated Scheduling Process and the Energy Balancing Market,
- determine the penalties for the Participants in the event of non-compliance with the provisions of this Rulebook,



- define the Balancing Market Settlement procedure, define the procedure for exchanging information with other stakeholders,
- specify the reporting and monitoring obligations of the HETS Operator in relation to the Balancing Market,
- define the procedures for the protection of commercially sensitive information.

Specifically, L. 4425/2016 provided for the development of the following four markets:

- 1) Energy Financial (Derivatives) Market or Forward Market
- 2) Day-Ahead Market (DAM)
- 3) Intra-Day Market (IDM)
- 4) Balancing Market (BM)

The Energy Financial (Derivatives) Market, the Day-Ahead Market and the Intra-Day Market are operated by the Hellenic Energy Exchange (HEnEx) according to the rules and procedures stipulated in the "Financial Energy Market Rulebook" and in the "Day-Ahead & Intra-Day Markets Trading Rulebook" respectively, supplemented by technical decisions issued by HEnEx and methodologies or other approvals issued by the Hellenic Capital Market Commission (HCMC) and the RAE.

Hellenic Energy Exchange S.A., (HEnEx) is the entity responsible for the operation of Spot and Derivatives markets in Greece. HEnEx has established the EnEx Clearing House S.A. (EnEx Clear) as the market Clearing House, in order to undertake the responsibilities of clearing, risk management, and settlement of the transactions. Under the Target Model, HEnEx Members are able to participate in DAM, IDM, BM, and Forward Market (FWM).

Within the scope of the latest market formation the collaboration of several entities is provided such as ADMIE (TSO), the Hellenic Energy Exchange, the Clearing House, and the Athex Clear for the Derivatives Market. The RAE and the Hellenic Capital Market Commission collaborate for the efficient supervision of the legal structure that oversees the daily function of the markets. The recently formed clearing house, EnEx Clear, is in charge for the financial settlement, the invoicing of participants and the risk management of the system.

The energy exchange is responsible for submitting priority price taking orders by representing previous transactions as submitted on the Forward Market or the unregulated bilateral Over-The-Counter market (OTC). Therefore, the recently established energy exchange aims to be a vital component in the growth of the domestic and national economy over the utilization of the Target Model.

The Balancing Market operates, according to the rules and procedures provided in the Balancing Market Rulebook (BM Rulebook) approved by RAE (Decision 1090/2018, Government Gazette Issue B' 5910/31.20.2018 and B'468/18.02.2019), as in force currently following five amendments: RAE Decisions 938/2020 (GG Issue B 2757/07.07.2020), 1357/2020 (GG Issue B 4516/14.10.2020), 1572/2020 (GG Issue B 5484/2020), 54/2021 (GG Issue B 531/2021), 609/2021 (GG Issue B 3500/2021), supplemented by technical decisions issued by the TSO (ADMIE S.A.) as well as by methodologies and other approvals issued by RAE, all of them applying the guidelines and principles stipulated in the Electricity Balancing Regulation.

The balancing market in Greece is based on the unit based/central dispatching model: The TSO, selects the bids (which are given per production unit) with the lowest price on the basis of an optimization algorithm, and issues corresponding orders to each production unit selected for the provision of each service. Specifically, in the first stage, it is ensured that the System has sufficient available capacity to provide balancing services in accordance with the TSO's estimates and then when necessary, the required orders are issued to the entities that provide balancing services. Entities that provide balancing services submit bids to the market per unit, and per bidding zone.

## Electricity

### RAE's Decision on Electricity Suppliers Advertising Practices

by Mira Todorovic Symeonides (Athens)

On 9 September 2021 RAE issued decision no. 675/2021 rejecting the application of an electricity supplier to revise and amend RAE's letter no. O-87645/14.5.2021 addressed to all electricity suppliers in Greece regarding certain practices of advertising, claiming that such regulation by RAE is jeopardizing suppliers' advertising liberties.

Namely, RAE, as an authority in charge for monitoring of the retail electricity market and protection of final consumers, has noticed that certain advertising messages may be confusing and misleading for the consumers, particularly those messages that: use the word „discount" without further specification of the basis for calculation of such discount, or the use the word "energy savings" without explaining what are the benefits of such product for the consumer, or those that compare the prices of a competitor which may not be compared (e.g. basic tariff of a competitor with own tariffs which include discounts offered only in certain period of time), or do not mention some additional variable charges (such as price adjustment clauses).



Subsequently, on 14 May 2021 it sent letter to all electricity providers (the abovementioned O-87645) regulating this issue, and particularly introducing a new provision on comparative advertising to the previous decision O-81677/03.04.2020. The new provisions particularly instructed the suppliers the following:

In case of comparison with energy products of other supplier, advertising should present such other product precisely and taking into consideration all its elements;

In regards with its own product, it should specify that the benefit refers only to the supply charges, not to the regulated charges (which are the same for all suppliers) and should disclose the total benefit for the consumer;

Important charges which are systematically imposed or may be imposed under certain circumstances (such as the price adjustment clauses) should be visibly disclosed in the advertising messages and in any communication with consumers particularly when amending the agreement or during the preliminary period;

Any mentioning of "free" service or reduced charges should specify the time period of its validity, while in case of replacing of certain charges, the new one should be clearly specified.

The new RAE's decision, reasoning the rejection of the application, particularly stressed RAE's role on the electricity market and the respective authorisations; the fact that its reaction was provoked by numerous complaints of the consumers, that advertising liberty has to be limited for the benefit of the consumers and has been limited in other fields of economic activities, and that the aim of regulating certain advertising behavior is aimed to avoid misleading advertising.

### Natural Gas for Power Production Exempt from Excise Duty

by Maria Ioannou (Athens)

On 30.08.2021, Decision A.1185 of the Minister of Environment and Energy and of the Commissioner of the Independent Authority for Public Revenue (OJ B/ 3985/ 30.08.2021) was issued, which exempts the natural gas quantities used for the production of electricity from excise duty (in Greek, 'ειδικός φόρος κατανάλωσης'). More specifically, according to the Decision, natural persons or legal entities using gas for the production of electricity which is then either consumed by the same persons or injected in the transmission grid or the distribution network, are entitled to an exemption from excise duties. This includes high-efficiency power and heat cogeneration units in connection to the gas used for the purpose of power production. The Decision further contains provisions on the competent authorities, the data that must be submitted along with the application for the exemption (including, the production, installation and operation licenses, where applicable, and a technical study regarding the quantities of gas consumed and the capacities of the power produced. In case of multiple units, the applicant must submit separate applications for each unit. Successful applicants are registered in the respective Register kept with the Customs Auditing Department of Attica. The Decision also lists the obligations that are imposed upon the beneficiaries of such exemption, notably, record-keeping obligations, as well as the procedure and detailed methodology for the calculation of the quantities that will be exempt. Lastly, the obligations of the gas distributors are listed.

## Infrastructure

### Approval of the Electricity Distribution Network Development Plan (2021-2025)

by Sofia Getimi (Athens)

On 5 August 2021, the Regulatory Authority for Energy (RAE) approved the Electricity Distribution Network Development Plan (DNDP) for the period 2021-2025 with its decision n. 631/2021. The DNDP was prepared by the Hellenic Electricity Distribution Network Operator (HEDNO) and was approved by RAE upon public consultation.

The DNDP identifies the main network developments for the five-year period 2021-2025. The branded projects included in DNDP 2021-2025 have a total budget of €1,531 million, € 44.6 million of which relate to amounts invested until 31.12.2020 and €716.9 million of which relate to amounts that are expected to be invested in the period 2021-2025. Among the elements included in the plan, an expenditure of € 334.6 million is budgeted for connections, another 223 million euros are budgeted for renovations, 100 million for upgrades of HEDNO networks in forest areas, as well as 133 million for upgrades of HEDNO networks in order to enhance resilience and protect the environment.

RAE also invites HEDNO to plan the necessary development projects related to the interconnections of islands of the Northeast Aegean (including Skyros) and the South Aegean with the Electricity Transmission System. The implementation of the development of the Distribution Network is monitored through Development Programs which are prepared on an annual basis by HEDNO based on the current Development Plan of the Network.



## Important Greek Projects of Common European Interest

by Andriani Kantilieraki, (Athens)

On 6 September 2021, the Ministry of Environment and Energy issued a press release on the approval by the Ministers of Environment and Development of the participation of five Greek projects to the first wave of Important Projects of Common European Interest (IPCEI) on Hydrogen.

In more detail, the approved projects, which were notified to the competent European authorities, stood out of twenty nominated projects in total and are now one step closer to achieving the financial support of the European Union. The five projects that were approved are the following:

**Blue Med:** a project by Motor Oil for the production of low carbon footprint blue hydrogen and green hydrogen, with a timeframe stretching out to 2025. The hydrogen is to be used in infrastructure and means of transportation, while it is expected that both the Hellenic Gas Transmission System Operator (DESFA) and the Public Power Corporation (PPC) along with research institutions will be joining the project,

**Green HIPO:** a project by Advanced Energy Technologies (Advent Technologies) for the construction of electrolyte and fuel cells production units. The Combined Heat and Power fuel cells are expected to be produced by Advent for the White Dragon project in their main production line in West Macedonia,

**White Dragon:** a cluster of projects for the production of green hydrogen in West Macedonia through solar energy electrolysis and distribution through DESFA and TAP pipelines. The participants of the cluster are the Public Gas Corporation (DEPA), Advent Technologies, Copelouzos Group (DAMCO ENERGY S.A.), Corinth Pipelines S.A., TAP AG, DESFA, Terna Energy, Motor Oil and PPC,

**H2CAT TANKS:** a project by B&T Composites for the production of high-pressure tanks from composite materials and carbon fibres for the storage of hydrogen used in transportation,

**H2CEM – TITAN:** a project by TITAN for the production of cement by the use of green hydrogen. The project mainly concerns the production, storage and use of green hydrogen for combustion to be used for the production of energy with the view of decarbonising cement units.

Pursuant to the approval of the aforementioned projects by the Greek Government, they will be evaluated in connection with the technical and financial criteria set out for the IPCEI projects. The European Commission will further evaluate the possibilities of successful completion of the projects, their feasibility, the split-over effects and the completeness of the business plans. The process will lead to the determination of the exact financial gap, part of which will be covered by national and European aid schemes. The development of the hydrogen market is expected to assist in the achievement of the European aim, which is to be climate-neutral by the end of 2050, i.e. an economy with net-zero greenhouse gas emissions.

## RAE's Decision on Electricity Grid Codes Amendments

by Andriani Kantilieraki, (Athens)

On 27 October 2021 the Regulatory Authority for Energy (RAE) issued its decision n. 807/2021 (published in the Official Gazette B' 5025/29.10.2021) on the amendment of the Greek Electricity Transmission System Operation Code (TSO code) and the Greek Electricity Distribution Network Operation Code (DSO Code) in light of the transfer of the designated day for the launch of the interconnection of the island of Crete.

In more detail, by virtue of its decision n. 734/28.09.2021, RAE had previously assessed the technical readiness of the competent Administrators for the implementation of the hybrid market model for Crete and decided upon the transfer of the Designated Day for the launch of the interconnection of the island (Phase A') by one month. Consequently the designated day was set for 1 November 2021 (instead of 1 October).

The main amendment of the aforementioned Codes lies primarily with the addition of an extra annex, i.e. Annex C to the TSO Code, which includes transitional provisions for the small scale grid interconnection of the island of Crete from the designated day for the first phase until the designated day for the second phase of Crete's interconnection with the Hellenic Electricity Transmission System (in accordance with the provisions of paragraph 3 of article 108C law n. 4001/2011). The main features of this additional Annex include deviations from the provisions of Sections 3.0 and 4 of the TSO Code in regards with:

the Units Maintenance Schedule, which is to be drafted on an annual basis by the Hellenic Transmission System Operator (HTSO),

the specific requirements, due dates and general process for issuing the schedule,

the binding nature of the schedule for all producers, the means of its implementation and the process for its amendment considering the factors of operational security and supply adequacy,

the procedure for the declaration of a unit as totally or partially unavailable to produce electric power,

the determination of emergency circumstances and ways of resolving them,

the drafting of a Defense Plan for the resolution of emergency circumstances,



the determination of power reserve capacity and the basic technical requirements of the units.

Finally, RAE decided upon the addition of a new paragraph, i.e. paragraph 10 to article 138 of the Greek Electricity Distribution Network Code, by virtue of which, without prejudice to the provisions of Annex C of the Operation Code of Non- Interconnected Islands, the provisions of the Electricity Distribution Network Code referring to the Interconnected Grid will also be applied to the small scale grid interconnection of Crete as of the Designated Day of the first phase.

## Competition and State Aid

### Commitments to Increase Access to Electricity by PPC's Competitors Approved

by Viktoria Chatzara (Athens)

On 10 September 2021, the European Commission published its decision, rendering legally binding under EU antitrust law the final commitments submitted by the Hellenic Republic (HR) to allow the competitors of Public Power Corporation (PPC), the Greek state-owned electricity incumbent, to purchase more electricity on a longer-time basis (Case No. AT.38700). This decision comes as the final step in the EU antitrust procedure which was launched with a decision of the Commission issued in March 2008 concluding that the HR had violated competition rules by granting PPC privileged, quasi-exclusive access rights to lignite, denying such access to PPC competitors and, thus, allowing PPC to maintain its dominant position in the electricity wholesale market, while at the same time obliging the HR to implement appropriate remedial measures, a fact which was ultimately upheld by the General Court following a lengthy litigation. The final, non-confidential text of the Commission decision is expected to be made publicly available.

In the context of the final measures it submitted, the HR committed to ensure that a share of electricity generation, calculated on the basis of PPC's lignite-fired plants' generation, is released and sold to competitors, in accordance with the proposed measures. The first proposed remedy sets out that PPC will sell quarterly forward electricity products on the European Energy Exchange (EEX) and/or the Hellenic Energy Exchange (HEnEx), thus allowing buyers to obtain electricity at a stable price during each quarter of reference, while also enhancing their ability to source wholesale electricity on the forward market and hedge against price volatility. PPC will further obtain a net seller position on the above-mentioned organized exchanges, in the sense that its sales of the forward electricity products in question shall exceed its purchases by a certain volume, ensuring that sufficient volumes of wholesale electricity (calculated as a share of PPC's lignite-fired generation) are made available to its competitors. According to the information made available, the proposed PPC obligations in terms of timing of the sales and deliveries will give its competitors the ability to hedge against price volatility for a sufficiently long period in advance. The remedial measures will remain in force for a specified time period, namely until all existing lignite-fired generation plants are commercially decommissioned, according to the relevant plan of the HR, in line also with Greece's and EU's environmental objectives. The decommissioning is currently planned to take place by 2023, however, with regard to the commitments and related PPC obligations, they will in any case cease by 31.12.2024.

A Monitoring Trustee, independent from the HR and any competent involved authorities, shall be also appointed by the HR and approved by the Commission, which shall monitor HR's compliance with the proposed and approved commitments, draft and submit relevant reports to the Commission and report any non-compliance incidents, propose to the HR any measures it considers necessary to ensure compliance with the Commitments, and act as a contact point for third-party requests.

## RES

### Amendments Regarding Energy Communities

by Mira Todorovic Symeonides (Athens)

On 20 October 2021 the law no. 4843/2021 regulating numerous issues of energy markets in Greece was published in the Official Journal (OJ A' 193/2021). Among other issues it amends certain provisions of the law on Energy Communities (law no. 4513/2018).

Regarding Energy Communities (EC) it regulates that in case of liquidation or bankruptcy of an EC, all the issued licenses and approvals shall cease to exist if they have not previously been transferred. However, in case that the plant has started operations, the licenses and approvals continue to be valid and such plant may be transferred to any third party. In this case, such third party shall not receive the Operational State Aid (meaning FIT or FiP) but may sell the electricity at the market or receive State Aid as any other plant, not being EC, in compliance with law.

For-profit ECs may merge with other EC under condition that they apply similar agreement on distribution of profit. Further EC may be merged, acquired by, or acquire other (not an EC) legal entity, and change legal form in compliance with the respective laws. In such case, the RES plants lose their benefits as EC in regards to the Operational State Aid, the exception from the obligation to participate in RES auctions, the priority for the connection to the grid etc.

The ECs may also sell their RES licenses to other EC of the same Prefecture. If ECs sell their RES licenses to individuals or legal entities (not to ECs of the same Prefecture), the RES project forfeits the privileges regarding the consideration to be paid, the



exemption from the auction procedure, and the priority for obtaining the production license and the final connection terms (their applications will be examined by the authorities based on their submission date). In case they have already signed the PPA without having participated in the auction, and are in operation, they shall be paid (irrespective of the MW capacity of the project) based on the reference price that will be granted to similar RES technologies that are non-EC and non-agricultural projects and that have signed a PPA without an auction, that start operation during the same time period. The same applies in case an EC merges in any way so as to transform into a corporation.

The law provides for the possibility of virtual net-mattering for ECs which intend to cover energy needs of its members and individuals that live within the same Prefecture facing energy poverty. A ministerial decision to be issued upon receiving the respective REA opinion should further regulate the above virtual net mattering (conditions, limitations, charges, time limits, procedures for signing of the agreement on net-mattering etc).

### Agreements on Feed in Premiums, Hybrid Plants and Connection to the Grid

by Mira Todorovic Symeonides (Athens)

On 20 October 2021 the law no. 4843/2021 regulating numerous issues of energy markets in Greece was published in the Official Journal (OJ A' 193/2021). Among other issues it amends certain provisions of the law on Energy Communities, but also regulates certain issues regarding agreements on Feed-in-Premiums, hybrid plants and connection to the grid.

#### Agreements on Feed-in-Premiums

The Law provides for deadlines for signing of agreements on FiP between RES producers that received reference prices in RES auctions, with Renewable Energy Sources Operator & Guarantees of Origin (DAPEEP) as follows: a) within 4 months from publication of the auction results, for all auctions performed after 01.01.2021 and b) until 28.02.2022 for all auctions performed before 01.01.2021. While the RES producers are obliged to submit the respective applications to DAPEEP within the above deadlines (otherwise their respective bank guarantees for participation in the auctions would be forfeited), DAPEEP is obliged to sign the respective agreements within 10 days from receiving of applications.

The RES producers selected in auctions organized after 01.01.2021, in addition to the forfeiting of the respective bank guarantee, shall be obliged for 4 years to pay a penalty in the amount which represents the difference between the reference price achieved in the auction and the market price for their electricity has been sold on the Energy Exchange, if they fail to apply to DAPEEP and sign the FiP agreements within the above deadlines. In addition they will be deleted from the registers of Energy Exchange, the Electricity TSO (ADMIE) and Joint Load Representative (FoSE), and will not be permitted to participate, directly or indirectly, in the electricity markets, but also through bilateral agreements. Such RES producer shall further be replaced with the first next, according to the lists of the RES auctions, provided by RAE.

#### Hybrid Plants

The law further authorises the Ministry of Environment and Energy to regulate the framework of the support for hybrid plants of production of electricity on the Non-Interconnected Islands, the procedure for granting of the state aid, issuing of production licenses, offers for connection to the grid, and any other issue. The same decision may regulate the above framework after the connection of each island to the Interconnected System.

#### Direct Lines

The law also introduced in the Greek legal system article 7 - Direct lines, of the Directive EU, 2019/944 on common rules for the internal market for electricity and amending Directive 2012/27/EU. Thus it regulates that the following entities have the right to submit to RAE an application for issuing license for the ownership and operation of a direct line:

all licensed producers and electricity supply undertakings established within the territory of Greece to supply their own premises, subsidiaries and customers through a direct line, and

all customers established in Greece, individually or jointly, to be supplied through a direct line by producers and electricity supply undertakings.

The Licensing Regulation shall further regulate the conditions and terms of the procedure for issuing of the above license, the content of the license, terms of operation of direct lines and other issues. It may be possible to regulate that the operation of such direct lines is undertaken by the Transmission System Operator (TSO) or the Distribution System Operator (DSO), under certain conditions. Such lines may operate in parallel with or become part of the Transmission System or Distribution Network.

### Ministerial Decision on Net Mattering of Self-producers and Energy Communities

by Mira Todorovic Symeonides (Athens)

On 30 August 2021, the decision of the Ministry of Environment and Energy amending the ministerial decision no. 15084/382/19.02.2019 on Establishment of the self-productions units with net-mattering or virtual net-mattering, also by the Energy



Communities with virtual net-matter, was published in the OJ B'3971/2021. The decision increases the maximum installed capacity of RES units for the application of net mattering and virtual net mattering as follows: in the Interconnected System to 3 MW; in Crete to 3 MW upon its connection to the Interconnected System; in the Non-Interconnected Islands the maximum capacity will be calculated for each system separately in compliance with respective decisions of RAE, although the above Decision already regulated capacities for some islands, such as Rodos where the maximum capacities for net-mattering will be 1 MW for Energy Communities, for legal entities with public benefit 500 kW while for other plants 100 kW. However, for small wind generators the maximum installed capacity is 60 kW.

In order to avoid segmentation of land plots with the aim to apply the benefits provided in this Decision, it specifies that for net mattering one production plant should be on one land plot, meaning owned by one owner or in case that more land plots are owned by the same owner they should not have been divided into more small land plots after the effect of the law on Energy Communities n. 4513/2018 i.e. after 23.01.2018.

Further simplification of licensing procedure is provided for small PV plants up to 50 kW and for other plants up to 20 kW, under condition that they apply net-matter, which from now on do not have to obtain license for connection to the distribution network, but only to follow the procedure of notification of the distribution network operator. This regulation should particularly accelerate the procedure of installation of small PV systems on roofs of houses and buildings.

### New Greek State Aid Scheme for Electricity RES Production Approved

by Konstantinos Ntallas (Athens)

On 24 November 2021, the European Commission gave its green light, under EU State aid rules, to a €2.27 billion Greek scheme for the production of electricity from Renewable Energy Sources (RES). This scheme is expected to provide support to both a wide range of technologies generating electricity from RES and the objectives of the Green Deal (European objective of achieving climate neutrality by 2050). It aims to support around 4.2 GW of installed capacity. The scheme is open until 2025 and aid can be paid out for a maximum of 20 years.

Greece notified the Commission of its intention to introduce a new scheme, which builds on the previous "Greek support scheme for the production of electricity from renewable energy sources and high efficiency cogeneration" and "Greek auction scheme for renewable electricity", to support electricity produced from various RES. The sources include onshore wind, photovoltaic, wind and photovoltaic with storage, biogas, biomass, landfill gas, hydroelectric power, concentrated solar power and geothermal power plants, as the scheme intends to facilitate the development of renewable electricity production from various technologies in Greece and reduce greenhouse gas emissions.

The Commission assessed the scheme and concluded that it is in line with EU State aid rules, without unduly distorting competition in the Single Market in line with the European Green Deal. The aid was held to be necessary to further develop energy generation from RES and to help Greece meet its environmental targets, while at the same time being proportionate and limited to the minimum necessary.

Following the approval, the Greek Ministry of the Environment and Energy and the Regulatory Authority for Energy (RAE) are expected to undertake the necessary actions for and a call for tenders to be issued within the first quarter of 2022, aiming to support RES projects (on shore photovoltaic and wind plants) with a total capacity of 1 GW.

## Energy Efficiency

### Transposition of the Directive (EU) 2018/2002 on Energy Efficiency

by Sofia Getimi (Athens)

On 20 October 2021, Law n. 4843/2021 was published in the Official Gazette (193 A'/20.10.2021), which, among others, transposed Directive (EU) 2018/2002 amending Directive 2012/27/EU on energy efficiency and adopted the Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action as well as the Commission Delegated Regulation (EU) 2019/826 of 4 March 2019 amending Annexes VIII and IX to Directive 2012/27/EU of the European Parliament and of the Council on the contents of comprehensive assessments of the potential for efficient heating and cooling. The main objective of the law is to enhance energy efficiency and energy savings, in order to promote Renewable Energy Sources (RES) and strengthen competition in the electricity market.

The law establishes measures to promote energy efficiency within the Union, in order to ensure that the latter's 2020 headline targets on energy efficiency of 20 % and its 2030 headline targets on energy efficiency of at least 32,5% are met and paves the way for further energy efficiency improvements beyond those dates. The indicative national contribution of energy efficiency for the achievement of the European Union targets for 2030 is set at 16.5 million tons of oil equivalent (toe) of final energy consumption.

Moreover, the law specifies and enhances the exemplary role that public bodies' buildings should play in terms of energy efficiency providing that 3% of the total floor area of buildings owned and occupied by central government shall be renovated each year to meet at least the minimum energy performance requirements and that buildings which are rented and purchased by public bodies by



1.1.2020 shall belong at least at B energy class and buildings rented and purchased by 1.1.2026 shall be of a nearly zero energy consumption.

## Environment

### New Environmental Provisions Introduced with Energy Law

by Maria Ioannou (Athens)

In October 2021, new Law 4843/2021 was enacted (OJ A' 193/20.10.2021). The new law contains mainly energy-related provisions, e.g. on the transposition into national law of the amending Directive on Energy Efficiency (2018/2002) and the introduction of provisions that aim to increase the penetration of renewables into the Greek energy mix.

However, the new law also contains certain provisions that aim to tackle specific recent environmental issues. Firstly, in the wake of the devastating wildfires that ensued earlier this year in the northern part of the island of Evia and for the purpose of a more effective reforestation process, Article 73 of the new law sets forth the suspension of submission of applications for all necessary licenses and approvals for the installation and operation of wind farms in the Municipalities of Istiea, Edipsos and Mantoudi of Northern Evia, and especially of the applications for the issuance of producer certificates and certificates of special RES projects as well as for the connection to the grid. In addition, any such pending applications shall be declined. Also for the same purpose, any production licenses or producer certificates or certificates of special RES projects that were issued post 1 January 2021 in connection to wind farms located (even partially) within the same Municipalities, shall be rescinded.

Further, special derogations from the laws of public procurement (however, without prejudice to the provisions of the EU legislation) are foreseen with respect to the commissioning and construction of flood-control works in mountain areas. The overall aim is the expedited restoration of areas that have suffered wildfires or floods under condition that they have been declared in a state of emergency.

Moreover, Article 75 of the new law amends environmental law 1650/1986 as regards the administrative penalties in case of breach of said law or in case of environmental degradation or pollution. The aim is for better alignment of these penalties in proportionality to the severity of the unlawful activities, as well as for greater legislative coherence in line with best practices in other EU countries and recommendations by the World Bank. More specifically, the new law increases the maximum monetary fines from 2 to 5 million Euro, introduces the penalties of temporary and final cessation of the operation of the harming activity and further introduces as a compliance measure the so-called 'Restorative Measures Plan'. The penalties are to be imposed according to various criteria such as the severity, duration, historical background and profitability of the harming activity. More specifically, the monetary fines are imposed as a percentage of the annual turnover which increases according to the severity of the breach of the law. In this respect it is highlighted that polluting entities shall not be eligible for state aid or grants unless the administrative penalties imposed finally have been paid or settled. Any monetary fines paid are to be allocated to the Green Fund and then onto local administration authorities for the funding of environmental restoration and protection programs.

### Development of Electric Vehicle Charging Plans

by Semina Saliaga (Athens)

On 21 September 2021, by decision of the Deputy Minister of Environment and Energy, Nikos Tagaras, all the municipalities are given a final extension until 31 December 2021 for the obligatory elaboration of Electric Vehicle Charging Plans. On 23 July 2020, law 4710/2020 for the promotion of e-mobility was introduced into Greek legislative framework with scope to promote the use of electric vehicles, the development of publicly accessible recharging infrastructure and the formation of a full-fledged regulatory framework for the e-mobility market. The above decision refers to the legal obligation of all municipalities the Electric Vehicle Charging Plans for development of such charges on municipal level. These actions are funded by the Green Fund, a public-law entity, supervised by the Ministry of Environment and Energy. The submission period stated on 23 November 2020 and the number of municipalities that provided the Plan came up to 254. At the end of October, the Green Fund was expected to call additional 62 Municipalities with less than 10,000 inhabitants.

## Romania

### State Aid

#### Romania Approves State Aid for Electricity and Gas Consumption for 2021-2022 Winter

by Raluca Drăghici (Bucharest)

Considering the situation determined by the price increase on the electricity and natural gas markets at international level, as well as the effects caused by these increases for the Romanian population, the Romanian state considered it necessary to regulate a



compensation mechanism for November 2021- March 2022 so that the prices of electricity and natural gas paid by the household consumer do not aggravate the level of energy poverty.

On 5 October 2021, it was published in the Official Gazette no. 951 the Government Emergency Ordinance no. 118/2021 (hereinafter "the GEO") through which the compensation scheme for the consumption of electricity and natural gas for the cold season 2021-2022 is established. Subsequently, the GEO was approved by Law no. 259/2021 (published in the Official Gazette no. 1036 of October 29, 2021), on which occasion it also underwent a series of modifications compared to the initial form. The amounts necessary to ensure the support scheme are supported from the state budget.

In accordance with the provisions of the GEO, for the period 1 November 2021-31 March 2022 a support scheme is established for the payment of invoices related to the consumption of electricity and natural gas for the following categories of final customers, as specified by law: a) household customers; b) small and medium enterprises; c) micro-enterprises, authorized natural persons, individual enterprises, family enterprises, organized according to the law; d) public and private hospitals; e) non-governmental organizations; and f) public and private providers of social services.

The support scheme includes the following measures:

- a) for household customers - granting a unitary compensation amounting to a maximum of 0.291 lei / kWh, in the case of electricity, and amounting to a maximum of 33% of the value of the natural gas price component of the supply contract of the beneficiary customer, in the case of gas natural, under the conditions provided in the GEO;
- b) for all economic operators, final customers, from the categories provided in letter b) and c) from above, for each place of consumption:
  - (i) exemption, in the case of electricity, from the payment of the regulated tariffs, respectively the tariff for introduction / removal from the network, the distribution tariff, the system services tariff, the transmission tariff, as well as from the payment of green certificates, the contribution for high efficiency cogeneration and excise;
  - (ii) exemption, in the case of natural gas, from the payment of the cost of transport, distribution tariff and excise duty.

The maximum consumption limit for the period of application of the GEO, for the household customers is:

- a) 1,500 kWh of electricity, allocated in monthly instalments;
- b) the equivalent in kWh of 1,000 m<sup>3</sup> of natural gas at a conversion factor of 10.6 kWh per m<sup>3</sup>, allocated in monthly instalments.

Within the mentioned limits a deviation in favour of the beneficiary of the compensation of maximum 10% is accepted.

In order to benefit from the compensation, the electricity / natural gas consumption of household customers during the billing period may not be less than 1 kWh per day electricity during the billing period, respectively 7 kWh per day natural gas and must not exceed the determined reference consumption which is determined as a product between the reference daily consumption and the number of days in the billing period.

By applying the compensations, the final price paid by the household customer for the supply of electricity / natural gas cannot fall below the reference price which is 0,68 lei/kWh for electricity (and includes regulated tariffs for network services, the contribution for high efficiency cogeneration, the value of green certificates, excise and VAT, applicable on October 30, 2021) and 125 lei/MWh for natural gas (and does not include VAT, regulated taxes and fees, storage fees, as well as excise, applicable on October 30, 2021).

## Serbia

### Electricity

#### New Market Code Adopted by Serbian TSO

by Vuk Stankovic (Belgrade)

On 21 September 2021 Assembly of the Joint Stock company „Electric network of Serbia“ acting in the capacity of Serbian TSO adopted Rules on changes and amendments of Serbian Market code (Market Code) which are published and become valid on 02 November 2021. The Market Code provided for the following changes: (i) introduced methodology for determination of the risk value in case default has been changed, which also takes into account the compensation for the deviation of the balance group; (ii) additionally specifies termination of the Balance Responsibility Agreement; (iii) regarding revolving of bank guarantee as well as the revolving clause in case the special-purpose deposit have been revoked; (iv) regarding the case when the minimum and maximum value of the payment security instrument have been changed, whereby the minimum value of the payment security instrument is EUR 1,000,000, and the maximum is EUR 5,000,000; (v) introduces the possibility of emergency settlement, within the settlement period if the operator estimates that the balancing responsible party (BRP) has made a fee for the balancing group deviation over 50% of the value of the payment security instrument; and the articles related to the unbalanced daily schedule have been changed, invoices are now issued on day D + 1 for day D with a payment deadline of 1 day. The scope of the above changes is to increase the



security of transactions by increasing balance responsibility of market participants, which might result in exclusion of some smaller traders from the market.

## Environment

### Republic of Serbia Extended Deadline for Obtaining of IPPC Permits

*by Aleksandar Mladenovic (Belgrade)*

On its 86th session held on 21 October 2021 the Government of Serbia (GoS) adopted a draft amendments to the Law on the Integrated Prevention and Pollution Control (IPPC) and submitted it to the National Assembly for promulgation. Article 2 of the draft law proposes an extension of the deadline for obtaining IPPC permits for existing operators (polluters) until 31 December 2024 as the currently applicable deadline expired on 31 December 2020.

As stated in the reasoning of the draft law, the extension is aimed for the competent authorities to resolve pending applications for the issuance of an IPPC permits and to facilitate more efficient functioning and organization of the procedure for issuing of IPPC permits in the future.

The above extension has been expected, as only a minor number of operators (polluters) have complied with this obligation that has been in force since 2004. The previous extension of the deadline for obtaining IPPC permits was based on the reasoning related to the lack of administrative capacity, however in practice it seems that the biggest problem is the lack of required documents of the operators (polluters), particularly the usage permit, project documentation, water permits and conditions of other competent authorities, that have to be submitted as a condition for issuing of the IPPC permit.



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